

**Introduced by Senator Soto**

February 3, 2005

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An act to amend Section 1569.651 of the Health and Safety Code, relating to residential care facilities.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 141, as introduced, Soto. Residential care facilities: preadmission fee refunds.

Existing law regulates the licensure and operation of residential care facilities for the elderly, including setting forth the basic services a facility is required to provide. Existing law requires that a licensee of a residential care facility for the elderly, if the licensee charges a preadmission fee, provide the applicant or his or her representative with a written general statement describing costs associated with the preadmission fee charges and stating whether or not the preadmission fee is refundable. If the preadmission fee or some portion thereof is refundable, existing law requires the statement to describe the conditions for the refund. A violation of the provisions relating to the licensure or operation of a residential care facility for the elderly is a crime.

This bill would require the preadmission fee to be refundable under certain conditions and would require the licensee to provide the applicant or his or her representative with a written general statement stating that the preadmission fee is refundable and describing the conditions for the refund. Because a violation of this bill's provisions would be a crime under existing law, this bill would impose a state-mandated local program by changing the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1569.651 of the Health and Safety Code  
2 is amended to read:

3 1569.651. (a) A licensee of a residential care facility for the  
4 elderly may not require any form of preadmission fee or deposit  
5 from a recipient under the State Supplementary Program for the  
6 Aged, Blind and Disabled (Article 5 (commencing with Section  
7 12200) of Chapter 3 of Part 3 of Division 9 of the Welfare and  
8 Institutions Code) who applies for admission to the facility.

9 (b) If a licensee charges a preadmission fee, the licensee shall  
10 provide the applicant or his or her representative with a written  
11 general statement describing *all* costs associated with the  
12 preadmission fee charges and stating ~~whether or not that~~ the  
13 preadmission fee is refundable. ~~If the preadmission fee or some~~  
14 ~~portion thereof is refundable, the~~ *The* statement shall describe the  
15 conditions for the refund *as specified in subdivision (g)*. A  
16 licensee shall only charge a single preadmission fee as defined in  
17 subdivision (e) per resident admission.

18 (c) A licensee of a residential care facility for the elderly may  
19 not require, request, or accept any funds from a resident or a  
20 resident's representative that constitutes a deposit against any  
21 possible damages by the resident.

22 (d) Any fee charged by a licensee of a residential care facility  
23 for the elderly, whether prior to or after admission, shall be  
24 clearly specified in the admission agreement.

25 (e) For the purposes of this section, "preadmission fee" means  
26 an application fee, processing fee, admission fee, entrance fee,  
27 community fee, or other fee, however designated, that is  
28 requested or accepted by a licensee of a residential care facility  
29 for the elderly prior to admission.

30 (f) This section shall not apply to licensees of residential care  
31 facilities for the elderly that have obtained a certificate of

1 authority to offer continuing care contracts, as defined in  
2 paragraph (8) of subdivision (c) of Section 1771.

3 *(g) Preadmission fees shall be refunded according to the*  
4 *following:*

5 *(1) If the applicant decides not to enter the facility prior to the*  
6 *facility's completion of a preadmission appraisal or if the facility*  
7 *fails to provide full written disclosure of the preadmission fee*  
8 *charges and refund conditions, the applicant or the applicant's*  
9 *representative shall be entitled to a refund of 100% of the*  
10 *preadmission fee.*

11 *(2) If the applicant does not enter the facility after a*  
12 *preadmission appraisal is conducted, the applicant or the*  
13 *applicant's representative shall be entitled to a refund of at least*  
14 *80% of the preadmission fee.*

15 *(3) If the resident leaves the facility for any reason during the*  
16 *first month of residency, the resident shall be entitled to a refund*  
17 *of at least 80% of the preadmission fee.*

18 *(4) If the resident leaves the facility for any reason during the*  
19 *second month of residency, the resident shall be entitled to a*  
20 *refund of at least 60% of the preadmission fee.*

21 *(5) If the resident leaves the facility for any reason during the*  
22 *third month of residency, the resident shall be entitled to a refund*  
23 *of at least 40% of the preadmission fee.*

24 *(6) If the resident leaves the facility for any reason during the*  
25 *fourth month of residency, the resident shall be entitled to a*  
26 *refund of at least 20% of the preadmission fee.*

27 *(7) The facility may, but is not required to, make a refund of*  
28 *the preadmission fee for residents living in the facility for five or*  
29 *more months.*

30 SEC. 2. No reimbursement is required by this act pursuant to  
31 Section 6 of Article XIII B of the California Constitution because  
32 the only costs that may be incurred by a local agency or school  
33 district will be incurred because this act creates a new crime or  
34 infraction, eliminates a crime or infraction, or changes the  
35 penalty for a crime or infraction, within the meaning of Section  
36 17556 of the Government Code, or changes the definition of a  
37 crime within the meaning of Section 6 of Article XIII B of the  
38 California Constitution.

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